3 May 1993
Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Fortieth session
First part
Item 11 (e) of the provisional agenda

DRAFT TERMS OF REFERENCE OF THE AD HOC WORKING GROUP TO EXPLORE THE ISSUE OF STRUCTURAL ADJUSTMENT FOR THE TRANSITION TO DISARMAMENT

Note by the UNCTAD secretariat

Pursuant to General Assembly resolution 1995 (XIX), as amended, to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, to Trade and Development Board decision 399 (XXXIX), and to the agreement reached at the second part of the thirty-ninth session of the Board (cf. report of the Board, part I, section C.4, para. 2 (b)), the following terms of reference are suggested for the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament:

1. To examine issues, developments and policies in the field of structural adjustment for the transition to disarmament, the implications for the world economy of the reduction of military expenditures, and economic aspects of conversion of military capacities to civilian uses. In this context, the Ad Hoc Working Group shall:

(a) analyse, while taking into account the diversity of country situations, the short- and long-term objectives, as well as costs and benefits of structural adjustment for the transition to disarmament, including the conversion of military capacities and technologies to civilian uses, in order to promote greater efficiency in economic activities through a more effective allocation of resources;

(b) review the experience of countries with structural adjustment for the transition to disarmament, including such aspects as the macro-economic and social consequences of the reduction in military expenditures;

(c) consider factors pertinent to the design and implementation of national programmes for structural adjustment for the transition to disarmament and conversion, including the respective roles of the private sector and the State, in particular in determining the framework for conversion and the scale and pace of the process, as well as the relationship between conversion and other economic and social adjustment programmes (such

as poverty alleviation, enterprise development, privatization and human resources development, including the utilization of ex-military personnel);

(d) identify international support measures aimed at supporting developing countries and countries in transition in their national efforts to implement structural adjustment for the transition to disarmament and the conversion of military capacities to civilian uses;

(e) study the impact of disarmament and conversion on international trade and technological and financial flows, as well as on international economic co-operation in these areas;

(f) collect and disseminate statistics on those trade- and development-related aspects of disarmament and conversion for which such work is not being undertaken by other international organizations, and identify ways of improving such collection and dissemination, including the establishment of a database and an information network.

2. To elaborate, as possible guidelines for policy-makers, the basic trade and development elements that should be taken into consideration in formulating plans and programmes for structural adjustment for the transition to disarmament and conversion.

3. To serve as a forum for the presentation of national experiences regarding trade- and development-related aspects of structural adjustment programmes for the transition to disarmament and conversion, as well as for the exchange and disssemination of relevant information. In that connection, the Ad Hoc Working Group should seek from interested countries the presentation of information on their national experiences and draw on the experience and expertise of non-governmental actors, particularly military and civilian enterprises, trade unions, the academic community and non-governmental organizations and international institutions.

4. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries.

5. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

6. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

7. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

8. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

9. The Working Group shall, in principle, complete its work within two years. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

10. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

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